

Remarks by Harold Scott

Harley-Davidson Vice President of Human Resources

To the U.S House of Representatives Committee on Veterans' Affairs

April 26, 2006

Thank you, Chairman Buyer, Ranking Member Lane and other members of the committee on Veterans' Affairs for the privilege to appear today. My name is Harold Scott. I am the Vice President, Human Resources for Harley-Davidson, Inc.

I appreciate the opportunity to tell you about our effort to bring visibility to issues surrounding veterans employment initiatives.

At Harley-Davidson we benefit from the positive contributions of military veterans every day. From leadership positions throughout every level of the company, military veterans have brought a work ethic reflective of the training and experiences they've acquired. It is now estimated that about 14% of Harley-Davidson's U.S. employees, 10% of our executive leadership and 30% of our customers have served in the military.

During Harley-Davidson's history of making great motorcycles, our company has undertaken initiatives to support our employee veterans of the United States Military. Throughout major conflicts, the company has given assurances to the U.S. Department of War and Navy that we would agree to rehire all of our employees who left to defend our country. Our support has continued for most of the past decade and predates the initiation of laws associated with the Uniformed

Service Employment and Reemployment Rights Act (USERRA) of 1994. Our commitment continues to today.

In 2003, we signed an agreement to partner with the United States Army's Partnership for Youth Success Program (PaYS). The Army PaYS program is a new initiative that offers Wisconsin youth the ability to serve our nation while preparing them with the necessary skills to be effective employees in our company. This partnership between Harley-Davidson and the U.S. Army benefits everyone by providing quality, mature and disciplined young adults with an opportunity to secure our country and for future employment.

Harley-Davidson has developed initiatives for both our current employees and customers designed to honor their military involvement and provide support as they are serving our country.

We support our employees serving the Guard and Reserve through pay and benefits. Harley-Davidson Motor Company, as well as the International Association of Machinists and Aerospace Workers (IAM) and United Steelworkers International Union, have committed to a policy to meet the financial needs of Military Reservists and National Guard members who are called to active duty by presidential order during a military crisis. We do this by compensating an employee called to duty for the difference between his or her military pay and his or her normal salary or straight time hourly rate of pay during their absence. Likewise, the families of employees called to duty continue to receive health insurance and 401(k) benefits.

For our customers we established a program called “Operation Mission Accomplished.” This program extends the warranty coverage on Harley-Davidson and Buell motorcycles belonging to military personnel recently deployed in support of operations in Afghanistan and Iraq. This program insures that Harley-Davidson provides a level playing field for those who serve our country.

Harley-Davidson also makes available our products to service members and Department of Defense civilians serving overseas through the Overseas Military Sales Corporation (OMSC).

Harley-Davidson continues to develop initiatives which honor those people who have served our country. Harley-Davidson presents our annual “Genuine Hero” Award to a veteran for dedication and service to our country. All veterans are eligible to apply for this award. Veterans, or family and friends of veterans are asked to nominate persons on such characteristics as patriotism, citizenship, and wartime heroism or community service.

In addition, we currently feature a salute to veterans section on our company website harley-davidson.com, we recently donated \$100,000 to the United Service Organizations (USO) and we honor those who’ve made the ultimate sacrifice by contributing \$500,000 to the World War II and Vietnam Memorial Funds.

I feel privileged to speak to the committee today on behalf of the leadership and employees of Harley-Davidson as I express to you our respect for what veterans have done to preserve our freedom and protect our country. We believe it’s our

duty as a company to help veterans assimilate back into the workforce when their service to our country is complete. And we are honored to do so.

We know from experience that the better Harley-Davidson's employee population reflects our customer base, the more successful we will be as a company. Having a common bond of military service strengthens our employee's ability to relate to customers and meet their needs.

In short, support of veterans makes good business sense for Harley-Davidson.

Mr. Chairman and Committee Members, Harley-Davidson believes that it is important to consider the challenges faced by military personnel after completion of their service. It is my hope and the hope of Harley-Davidson's leadership that all U.S. employers -- as well as policy makers -- will treat this situation as a serious responsibility. Together, we need to take aggressive actions to secure work opportunities for our veterans. You can be assured Harley-Davidson will do everything in its power to continue our efforts. Thank you.